Grider et al. ("Grider") does not anticipate Applicants' invention under 35 U.S.C. \$102(b) as recited in anyone of claims 2, 4, 9 or 12. Grider does not disclose or suggest each feature of Applicant's invention as recited in claims 2, and 3-20. order to establish a prima facie case of anticipation under 35 U.S.C. §102(b), each feature recited in the claims must be found in the reference and must operate in the same fashion to perform and identical function. Grider deals solely with a nonvolatile microcontroller with improved security against tampering by wiping its encryption registers and destroying al data in the volatile memory. Grider does not disclose or suggest a postal security device as recited by Applicant in claims 2, 4, 9 or 12. There is no disclosure whatsoever in the reference related to a postal security device. Since at least this feature of Applicant's invention is not disclosed or suggested by Grider, Applicant's invention cannot be anticipated under 35 U.S.C. \$102(b).

Furthermore, Grider does not disclose or suggest means for generating print data for printing of postage indicia as recited in claim 2. Grider also does not disclose or suggest a postal security device having improved battery power consumption during power off periods as recited in claim 9 or a method of improving back-up battery power consumption in a postal security device as recited in claim 12. Since at least these features are not disclosed or suggested by Grider, claims 2, 9 and 12 cannot be anticipated under 35 U.S.C. §102(b).

With regards to claim 4, Grider does not disclose or suggest a postal security device comprising a secure housing, and within the secure housing a first nonvolatile memory device not having a backup battery power source and adapted to store an encrypted

body of data when power is applied to the postal security device and when power is not applied to the postal security device, a second nonvolatile memory device having a backup battery power source and having a storage capacity only large enough to store an encryption key, an encryption engine adapted to encrypt a body of data with reference to the encryption key in order to form the encrypted data stored in the first nonvolatile memory, a third memory device not having a backup battery and adapted to temporarily store a body of decrypted data while the postal security device is powered on, the body of decrypted data being transferred to the third memory device from the encryption engine when the postal security device is initially powered on, the encryption engine decrypting the decrypted data stored in the second memory device with respect to the encryption key when the postal security device is powered on, and wherein when the postal security device powers down, the body of decrypted data temporarily stored in the third memory device is lost and battery power required to maintain the postal security device is minimized. None of these features as recited in Claim 4, directed to a postal security device, are disclosed or suggested Thus, Grider does not anticipate claim 4 under 35 by Grider. U.S.C. §102(b). Claims 5-8 depend from claim 4 and should be allowable at least in view of the dependencies.

Grider also does not disclose or suggest a method for use with a postal security device comprising a secure housing as recited in claim 2. The method generally includes, within the secure housing a body of data having a size, said postal security device also having within the secure housing means for generating print data for printing of postage indicia. Grider does not disclose or suggest the generation of print data for printing postage indicia.

As recited in claim 2, the generating of the print data relies in part on the body of data, said postal security device also having within the secure housing a first memory sized to accommodate the body of data, said first memory of a type not requiring electrical power to maintain the contents thereof, the postal security device also having within the secure housing a second memory not large enough to accommodate the body of data, said second memory of a type that requires electric power to contents, said postal maintain its security device comprising a battery powering the second memory and a tamper switch mechanically coupled with the secure housing so that upon tampering with the secure housing the second memory disconnected from the battery, said postal security device further comprising an encryption key stored within said second memory, said postal security device further comprising a cryptographic engine. Since Grider does not disclose or suggest these features for generating print data for the printing of postage indicia as recited in claim 2, claim 2 anticipated under 35 U.S.C. \$102(b).

In addition to the lack of the foregoing features of Applicant's invention being disclosed or suggested in Grider, Grider also does not disclose or suggest storing the encryption key within the second memory, encrypting the body of data by cryptographic engine with respect to the encryption key, storing the encrypted body of data in the first memory, and upon powerup of the postal security device decrypting the encrypted body of data with the cryptographic engine with respect to the encryption key, temporarily storing the decrypted body of data in a third memory, wherein upon power down of the postal security device the decrypted body of data is lost, and in the event of tampering with the postal security device, removing power from the second memory and the third memory resulting in a loss of the encryption key and the decrypted body of data. All of these features as recited in claim 2 are not found in Grider. Therefore, a prima facie case of anticipation under 35 U.S.C. \$102(b) cannot be established.

Claims 9 and 12 are also directed to a postal security device, and recite additional features that are not disclosed or suggested by Grider. Thus, these claims, and the claims that depend therefrom, cannot be anticipated by Grider and should also be allowable.

4. Little et al. ("Little") does not anticipate Applicant's invention under 35 U.S.C. §102(e) because Little also does not disclose each feature of Applicant's invention as recited in any one of claims 2, and 3-20. Little is directed to an electronic module having at least a microprocessor and a co-processor on a single integrated circuit (see Abstract). Little has a single wire interface for bidirectionally interfacing the module with another electronic device (col. 2, lines 39-43). The module uses non-volatile SRAM because it can be quickly destroyed-memory wiped clean-if power that backs the RAM up is interrupted (col. 4, lines 20-27).

Little does not disclose or suggest a postal security device as recited in each of claims 2, 4, 9 and 12. Little does not disclose or suggest means for generating print data for printing of postage indicia as recited in claim 2. Little also does not disclose or suggest a postal security device having improved battery power consumption during power off periods as recited in claim 9 or a method of improving back-up battery power consumption in a postal security device as recited in claim 12.

Without specifically repeating here each of the arguments raised above with respect to Grider, it is respectfully submitted each argument raised above can be equally applied to Little as well with respect to the elements recited in each of claims 2 and 4-20. Little does not disclose each feature of Applicant's invention as recited in the claims, and thus cannot anticipate Applicant's invention under 35 U.S.C. §102(e).

For all of the foregoing reasons, it is respectfully submitted that all of the claims now present in the application are clearly novel and patentable over the prior art of record, and are in proper form for allowance. Accordingly, favorable reconsideration and allowance is respectfully requested. Should any unresolved issues remain, the Examiner is invited to call Applicants' attorney at the telephone number indicated below.

A check in the amount of \$194 is enclosed for a one-month extension of time and the additional claim fee.

The Commissioner is hereby authorized to charge payment for any fees associated with this communication or credit any over payment to Deposit Account No. 16-1350.

Respectfully submitted,

Reg. No. 44,004

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CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service on the date indicated below as first class mail in an envelope addressed to the Commissioner of Patents, Washington, D.C. 20231.

Application No.: 09/646,489

Marked Up Specification Replacement Paragraph(s)

Fig. 1 shows a postal security device (PSD) in accordance with invention. the The PSD has a microprocessor communicates on a bus 2322 with an input/output (I/O) device 18, a memory which does not require battery backup 13 which may be for example an EEPROM or flash memory, a relatively small RAM The I/O device 18 14. a ROM 22, and a larger RAM 16. communicates with external apparatus by means of communications 19 which may be a serial asynchronous data External power 21 and ground 20 are also defined. The larger RAM 16, and most other active components receive external power. The smaller RAM 14 is additionally able to receive power from a backup battery 15, preferably a lithium cell with a very long (e.g. ten year) life. A tamper switch 17 is provided which, when triggered, can cut power to both the small RAM 14 and the large RAM 16.

Marked Up Claim(s)

2. (Amended) A method for use with a postal security device comprising a secure housing, and within the secure housing a body of data having a size, said postal security device also having within the secure housing means for generating print data for printing of postage indicia, said generating of said print data relying in part on the body of data, said postal security device also having within the secure housing a first memory sized to accommodate the body of data, said first memory of a



type not requiring electrical power to maintain the contents thereof, the postal security device also having within the secure housing a second memory not large enough to accommodate the body of data, said second memory of a type that requires electric power to maintain its contents, said postal security device also comprising a battery powering the second memory and a tamper switch mechanically coupled with the secure housing so that upon tampering with the secure housing the second memory is disconnected from the battery, said postal security device further comprising an encryption key stored within said second memory, said postal security device further comprising a cryptographic engine; the method comprising the steps of:

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storing the encryption key within the second memory;

encrypting the body of data by the cryptographic engine with respect to the encryption key;

storing the encrypted body of data in the first memory; and

upon power-up of the postal security device decrypting the
encrypted body of data with the cryptographic engine with
respect to the encryption key;

temporarily storing the decrypted body of data in a third memory, wherein upon power down of the postal security device the decrypted body of data is lost; and

in the event of tampering with the postal security device, removing power from the second memory and the third memory resulting in a loss of the encryption key and the decrypted body of data.